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Two Historicisms: Unpacking the Rules of Reproduction Debate

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Introduction¹

Knafo and Teschke's polemical essay *Political Marxism and the Rules of Reproduction of Capitalism* has stirred up the Political Marxist community. The authors have thrown down the gauntlet to the early generations, accusing their predecessors of backsliding into deterministic readings of capitalism that betray the original promise of the tradition. Their intervention has started the 'rules of reproduction debate', for lack of a better name, a dispute that echoes broader debates from across the history of the social sciences. Knafo and Teschke's article, for example, is heavily framed in the terms of the structure/agency debate (pp.17-8). This framing is unfortunate because it tends to mislead the discussion towards an *ontological* question – to what extent do agents truly enact structural change? Though not irrelevant, this is somewhat beside the point. The real question that Knafo and Teschke are raising is in fact *methodological* – why do we keep imagining lifeless structures as self-acting entities and how can we avoid doing so? As such, the rules of reproduction debate finds a better analogy in a much older (and deeper) dispute: the *Methodenstreit*. Do historical patterns justify the representation of social systems as predictable entities underpinned by structurally-generated logics of action? Or does this project naturalistic properties onto human phenomena? Does taking history seriously mean that social change can only be understood at the level of dynamic interactions within a specific institutional context? Or does this dissolve all theoretical explanation into historical description?

Looking at the debate through this prism, my response to their essay advances three points. (1) The first is a critical reformulation of Knafo and Teschke's representation of the divide within Political Marxism. Rather than a conflict between a 'structuralist' sector that has come to betray the founding principles and a 'historicist' faction that remains true to them, I argue that this duality is better understood as a spectrum between two different kinds of historicism that have coexisted in the tradition since the beginning: a *structural historicism* and an *institutional historicism*. If Knafo and Teschke perceive the existence of two separate 'camps' where there is in fact a continuum, it is because their work is situated on the far end of the institutional 'wing'. (2) The second point traces the source of Knafo and Teschke's institutionalist 'radicalisation' to issues they have encountered in their respective research agendas. Situating their intervention against the background of their own intellectual development, I trace the evolution of their theoretical positions from their origins in the discipline of International Relations to the formation of the Political Marxism Research Group at Sussex. (3) My last point re-considers the concept of 'market dependence', which Knafo and Teschke identify as the kernel of Political Marxism's deterministic relapse. Though I concur with the authors that the concept currently has a deterministic bent, I also argue that it can be reformulated in a way that is more amenable to institutional historicism.

1. Structural Historicism and Institutional Historicism

Knafo and Teschke's article finishes by situating Political Marxism at a 'crossroads', as if the tradition were bifurcating into irreconcilable theoretical trajectories (p.25). The juncture seems to be separating two

¹ Acknowledgements go to Elisabeth Wallmann, Jack Copley, Steffan Wyn-Jones, Pedro Salgado, Michael Žmolek, Samuel Knafo, and Benno Teschke for reading earlier versions of this article and giving me thoughtful comments. Thanks also to Maïa Pal for encouraging me to intervene in this debate.

sharply opposed camps: those who wish to remain true to the ‘historicist’ impulse of EP Thompson – a spiritual guide for Political Marxists – and those ‘who wish to build on a strict structuralism that emphasizes the logic of capitalism and its universalising features’. Implicit in this opposition is a reference to *The Poverty of Theory*, Thompson’s furious critique of Althusser, in which the historian lambasted the philosopher for purifying theory from history.² Though I agree with the authors that there are indeed two different tendencies within Political Marxism, I want to begin my commentary by de-escalating the tensions that the article has generated. To do so, I think it is important to reformulate in a different way the duality that the authors identify.

The opposition between ‘historicism’ and ‘structuralism’ is an unhelpful categorisation of the two currents within Political Marxism. In itself, the term ‘historicism’ is ambiguous as it has multiple theoretical meanings, some of which are antithetical to one another.³ The authors’ particular usage echoes that of Gramsci, for whom the term denoted a type of theory that prioritises concrete historical contexts over universal laws of development. Whether one chooses to speak of capitalist ‘laws of motion’ or not, I think it is safe to say that all Political Marxism falls within the scope of Gramscian ‘historicism’. After all, the bedrock of all strands of Political Marxism remains the Brenner Thesis, and in particular, its critique of neo-Smithian theory, for treating the dynamics of capitalist development as transhistorical. At its core, the Brenner Thesis is nothing but a forceful reassertion of the historical materialist principle that social dynamics are not natural, but historically determined. The term ‘structuralism’ is equally ambiguous, as it can refer to a broad range of theories of structural determination. But the authors’ tacit invocation of the Thompson-Althusser debate has been noticed and has understandably struck a nerve. Though some political Marxists, like Charles Post,⁴ openly embrace the ‘structuralist’ label, it is nevertheless a disservice to equate their brand of structuralism with that of Althusser, for whom the analysis of social structures was essentially an exercise in armchair speculation. The ‘structuralist wing’ of Political Marxism is, by contrast, far from ahistorical. Needless to say, it is made up of deeply historical thinkers whose works evidence thorough research and empirical sophistication.

Moreover, Knafo and Teschke’s formulation presents us with an irreconcilable division, as if both theoretical tendencies were radiating out of the Brenner Thesis in opposing directions. Instead, I believe it is more accurate to speak of a *spectrum* between two kinds of historicism that have coexisted in the tradition since the beginning: a *structural historicism* and an *institutional historicism*. Both reflect different epistemic stances on how historical change can be known and theorised. When explaining the dynamics of historical change, structural historicism tends to privilege macro-structural pressures, whereas institutional historicism tends to give more causal weight to specific political and institutional contexts. Rather than two camps with an inherently antagonistic relationship, I believe that both epistemic tendencies can be plotted along an imaginary continuum. If the later works of Robert Brenner are clearly on the structural side of the spectrum, I would argue that Knafo and Teschke are writing from the far end of the institutional side. On the one hand, this makes them distinctly perceptive of the theoretical differences within Political Marxism – and sharp commentators at that. On the other hand, their extreme epistemic position is also bound to alienate the bulk of Political Marxists whose works tend to hover somewhere along the middle and thus are less likely to perceive the sharp contradictions that the authors identify.

In any case, both epistemic tendencies trace their source to a *double argument* at the heart of the Brenner Thesis, with each tendency leaning on one of its sides. In his famous comparative analysis of late-medieval agrarian formations, Brenner isolated the origins of capitalism in the English enclosure, where a radical transformation in social property relations sparked a productive revolution in agriculture that later

² Thompson, 2001 [1978].

³ Teschke, 2014: p.3.

⁴ Post et al., 2017.

spread to manufacturing.⁵ To explain the birth of modern economic growth (i.e. self-reinforcing productivity increases) in the English countryside, Brenner made two interrelated arguments:

(1) Brenner argued that if agrarian producers became capitalists, it was not because growing commercial opportunities instilled in them a greater entrepreneurial spirit, but because they were forced to do so in order to survive. Under feudalism, there was no reason to assume that a gradual extension of markets would set in motion capitalist development because the majority of the population were peasants in possession of their means of survival (i.e. land). Even though peasants engaged in the market to complement their incomes, they avoided risking their plots by prioritising their own social reproduction over profit, and as such, they seldom invested in risky productive innovations. If capitalism came into being, then, it was because the peasantry's renewal of their means of survival became dependent upon market fluctuations against their will. This occurred because the lords of England succeeded in subjecting peasants to a land market of short-term commercial leases, which exposed them to the possibility of dispossession if they failed to meet constantly rising rents, thus making profit the condition of their social reproduction.

(2) Brenner also argued that this transformation happened in England, as opposed to France or eastern Europe, because of the peculiarities of English feudalism and the resolution of class conflicts between lords and peasants in this particular context. These peculiarities, arising from the Norman conquest of England, evolved under the pressures of class conflict into a distinct agrarian regime in which lords had the capacity to subject free peasants to short-term leases and hike rents at will, effectively subjecting them to a competitive market for land. The unintended result of this process was the formation of large capitalist farms employing waged labour in the early-modern period, as successful tenants agglomerated lands and unsuccessful ones were outcompeted and dispossessed. These farms were in turn compelled to regularly invest in capital-using and labour-saving methods, setting them apart from the fragmented and stagnant agricultures of western continental Europe.

There was no unresolved 'ambiguity' (p. 4) in this double argument. Rather, both premises were perfectly compatible in the case of the English transition to capitalism, where the *structural pressures* conducive to capitalist development (market dependence) were an unintended by-product of class conflicts mediated by *peculiar institutional conditions* (English feudalism). The problem came when Political Marxists sought to extract theoretical lessons to examine capitalist development beyond England. On the one hand, some countries transitioned to capitalism without replicating the English model of competitive tenant farming (e.g. the US), thus requiring explanations divorced from the institutional peculiarities of the English experience. On the other hand, the logical relationship between the emergence of market-dependent producers and capitalist development was not always clear outside of England (e.g. Netherlands), thus problematising the explanatory power of market dependence. This was all further complicated by the extension of Political Marxism into realms with an oblique relationship to capitalist production (e.g. geopolitics, finance), which raised a whole host of different questions. To address these dilemmas, authors within the Political Marxist tradition came to place varying degrees of emphasis on one of the two sides of the Brenner Thesis, either structural pressures or institutional specificities, gradually giving rise to two historicist tendencies.

Drawing most inspiration from the first argument of the Brenner Thesis, the structural historicist tendency highlights the causal determinacy of structural pressures, hence its emphasis on 'rules of reproduction'. The emphasis, thus, is placed upon *limits and constraints*, a view exemplified by Brenner's assertion that, once a specific set of social property relations become established, rational actors lock into 'certain limited options, indeed quite specific strategies, in order best to reproduce themselves – that is, to maintain themselves in their established socio-economic positions'.⁶ Likewise, for Post all sets of social-property relations

⁵ Brenner, 1976, 1985.

⁶ Brenner, 1985: p.213.

have strong laws of motion/‘rules of reproduction’ which produce distinctive patterns of growth and crisis, and distinctive forms of class struggle. It is in phases of crisis that conflictual class relations are intensified, opening the *possibility* (not necessity) of systemic-modal transitions – the emergence of new social property relations as the unintended consequence of attempts by producers and appropriators to reproduce their social position.⁷

In the analysis of capitalism, this epistemic tendency has logically turned toward higher levels of abstraction, seeking answers in a general theory of market dependence and its associated laws of motion (i.e. competition, specialisation, productivity gains). For the structural historicist tendency, formalising a degree of structural determination is an irreducible condition for any theory worth its salt: ‘[we need] a *structuralism* that allows us to understand the *limits* and *possibilities* of historical evolution and variation’.⁸

The view of historical change that arises from this understanding of the rules of reproduction is a *suspend and resume* model of systemic rhythms. The historical process is congealed into long phases of stability, in which the autonomy of social actors is overridden by systemic constraints, which impose laws of their own until the social system in question exhausts itself of its own accord, resulting in cyclical breakdowns that require systemic restructurings. In these interstitial moments, the plasticity of history resumes and windows of political agency open up, creating possibilities for extraordinary change. But when a new systemic arrangement crystallises, the window closes until the system’s internal contradictions bring about the next crisis. This perspective situates structural historicism within a broader paradigm of Marxian systems theories, with echoes of the regulation school or world-systems theory – with a degree of structural determination somewhere between the two. It is telling that Brenner challenged world-systems theory (and dependency theory more broadly) for underestimating the potential for socialist transformation in the West,⁹ but criticised the French regulation school for overestimating the change brought about by the Fordist class consensus.¹⁰

By contrast, the institutional historicist tendency grew out of the second argument of the Brenner Thesis, giving political and institutional contingencies a more salient role in the explanation of historical change. The emphasis here is less about limits and constraints and more about *strategy and contingency*. In these accounts, the ‘laws of motion’ soften into developmental tendencies and dynamics, giving a greater intervening role to creative agencies and institutions that cannot be easily extracted out of their context. An example of this line of thought would be Ellen Meiksins Wood’s contribution on the Dutch transition, in which she argued, against Brenner, that the sixteenth-century peasants of the Netherlands were indeed market dependent but not capitalist, as they lacked additional institutional conditions capable of setting in motion and sustaining competitive imperatives (more on this later).¹¹ Another example would be George Comninel’s work on English feudalism, where he traced the appearance of capitalist production to the legal peculiarities of common law, which allowed the enclosure to remove agriculture away from the purview of customary regulations.¹² For the institutional historicist tendency, generic structural conditions like market dependence are necessary for understanding capitalism, but they are also insufficient and need to be complemented with concrete factors that are typically context-bound, thus forcing them to operate on lower levels of abstraction.

These accounts do not deny the existence of structural pressures nor the extraordinary transformative potential of crises, but they do provide a more malleable perspective of historical change that does not preclude that the rules of the game might change while the system is up and running. Structural factors are understood in terms of *path-dependencies*, which implies an admission that it becomes increasingly

⁷ Post et al., 2017.

⁸ Post et al., 2017.

⁹ Brenner, 1977.

¹⁰ Brenner & Glick, 1991.

¹¹ Wood, 2002b.

¹² Comninel, 2000.

difficult to reverse course once history ventures down a particular path – but it is also not impossible. The focus thus shifts away from scheduled systemic rhythms and towards continuous creative agencies. This explains Knafo and Teschke's insistence – at least in earlier versions of the article – that the concept of 'rules of reproduction' should be replaced with the more open-ended notion of 'strategies of reproduction'. Methodologically, this strand of Political Marxism shares greater parallels with historical institutionalism than with systems theories.¹³ Historical institutionalism emerged in the 1970s and 80s in reaction to the positivist use of scientific modelling in the social sciences, arguing that social actors could only be examined in relation to their historical context.¹⁴ Imbued with a strong distrust of structural functionalism, historical institutionalists sought to explain social change through the historical layering of institutions. In the 1990s, this coalesced into a research agenda focused on explaining forms of institutional variation (*divergence*) as opposed to structural uniformity (*convergence*). All of this evidently chimes well with Knafo and Teschke's positions. Tellingly, the authors describe Brenner's structuralist turn as the moment when 'institutions took a back seat' (p.8), with market dependence becoming a way of avoiding the hard work of 'determin[ing] what type of society or context people are operating in'.

It must be stressed that Knafo and Teschke's institutionalist bent does not automatically place them outside of Marxism. Historical institutionalism is generally associated with Weberian historical sociology, but this has not prevented the formation of very effective syntheses with Marxism in the past (the works of Dylan Riley or Wolfgang Streeck come to mind). Moreover, one does not need to leave the confines of Marxism to find that similar debates between 'structural' and 'institutional' sensibilities have already played out in other corners of historical materialism. A relevant example is the land rent debate.¹⁵ In the 1970s, Marxist geographers were engaged in theoretical disputes over how to conceptualise surplus extraction through land – a commodity with a price but no value – as well as its role in capitalist coordination and accumulation. Intense disagreements over the rent question prompted an epistemic split, with approaches to the issue moving in opposing directions. Some took a *nomothetic* path, moving towards higher levels of abstraction and seeking to theorise rent in relation to the general laws of capital accumulation; the work of David Harvey being the foremost example of this. Others expressed scepticism at the possibility of a general theory of rent and instead went down an *ideographic* path, turning towards concrete analyses of class relations and historical contexts. The greatest representative of the ideographic turn was Michael Ball, whose 'structures of provision' approach resembles Knafo and Teschke's epistemic stance. The comparison, however, should sound a note of caution. The structures of provision approach has inspired (and continues to inspire) fine-grained Marxist analyses of great quality.¹⁶ However, it also carries an empiricist drift, one that Ball himself was unable to resist. Over time, his work shed layers of theory, jettisoning any mentions of Marxism or any other critical theory until it blended into institutionalist economics in the 1990s.

2. Historicising Knafo and Teschke

If, as I have argued above, the two tendencies within Political Marxism are simply different expressions of an epistemic continuum that has existed since the beginning, then Knafo and Teschke cannot be said to be returning Political Marxism to its origins. Rather, they are stretching its institutional side to new limits. In fact, I believe that their impulse to do so owes less to the Brenner Thesis and more to the evolution of their own research agendas. In particular, it was the difficulty to redeploy Political Marxism, an approach that

¹³ It must be qualified that historical institutionalism is an epistemically diverse tradition as well. The similarity here refers to those strands of historical institutionalism emphasising that institutions are malleable fields of struggle, as opposed to devices for reproduction. Knafo and Teschke would also take issue with historical institutionalism's tendency to fall back on ideotypical formulations (for a critique of Weberian ideal-types, see Teschke, 2003: p.50-1).

¹⁴ Steinmo & Thelen, 1998:5-10. See also Streeck & Thelen, 2005.

¹⁵ Haila, 1990.

¹⁶ For example, Ball's (1981) own work on the emergence of capitalist housebuilding.

was largely devised to historicise capitalist production, onto areas of research that only have an oblique relationship to production, what compelled them to devise theoretical innovations. Let us turn the tables by placing Knafo and Teschke's intervention against the backdrop of their own intellectual development.

It is telling that both authors went into Political Marxism through the discipline of International Relations, which during their formative years was undergoing a simultaneous process of decomposition and creative ferment. The Realist tradition had long dominated the field, casting a Hobbesian perspective on international politics that insisted on the timeless necessity of violence and war due to the lack of a global Leviathan to keep order. The sudden capitulation of the Soviet bloc disoriented the Realists, who could not explain such a sweeping restructuring of the global order without a significant conflict between the great powers. This emboldened critical scholars to settle accounts with the discipline, with many targeting its positivist bent – the pretence of 'discovering' naturalistic laws purported to have predictive power. Those inspired by Marxism highlighted that IR lacked an understanding of history (to which they only turned to handpick facts that confirmed their biases) and of the global economy (which they saw as entirely separate to geopolitical concerns). These criticisms led to a widening separation between IR's critical undercurrents, with some turning to historical sociology to understand geopolitical relations, and others towards political economy to understand the relationship between state power and global capital. This eventually resulted in the formation of distinct disciplines: International Historical Sociology and International Political Economy, which today house the research of Teschke and Knafo, respectively. Within these growing fields, both authors utilised Political Marxism to explore research topics with an oblique relationship to capitalist production: geopolitics and finance. Here, capitalism's 'rules of reproduction' proved of limited use for their respective research agendas, pushing them to stretch Political Marxism in new directions.

After spending some time working directly under Robert Brenner in Los Angeles, Teschke's intellectual project culminated in his book *The Myth of 1648*.¹⁷ *The Myth* challenged both IR and neo-Weberian historical sociology alike by arguing that historical patterns of geopolitical competition ought to be grounded in their underlying class dynamics. To do so, Teschke deployed Brenner's concept of social property relations to interpret the historical evolution of European polities and their concomitant forms of geopolitical interaction. The book intervened, and contributed to shape, IR's post-positivist turn by refocusing international theory away from timeless laws and towards historical contexts. In hindsight, *The Myth*'s concluding chapters already hinted at the 'radicalisation' of Teschke's epistemic stance. On the face of it, the book sat well with Marxism's insistence on the historical specificity of capitalism: Teschke revealed how certain geopolitical conducts presumed to be transhistorical (e.g. 'power balancing') were in fact the product of a modern grand strategy tied to the capitalist transformation of British imperial power. But upon closer inspection, *The Myth* also pointed out something much more indigestible for Marxist IR: the emergence of the modern states-system did not map well onto the spread of capitalist development.¹⁸ In other words, capitalism and modern geopolitics have distinct historical origins, and thus their relationship is contingent and not functionally straightforward. While this does not dispute that the rise of capitalism had an explicable impact on the modern states system – the imperial ascent of Britain's fiscal-military state being the most evident – it does call into question the existence of generically capitalist geopolitics that can be theorised out of the logic of capital. Teschke would soon highlight the 'profound variations in capitalist international orders' which can only be understood through 'the contested construction of diverse projects of territorialization by historically situated capitalist classes and states'.¹⁹ From there on, Teschke was set on course towards the depths of Political Marxism's institutional wing.

Working under the supervision of George Comninel at York University, Knafo's doctoral thesis traced the establishment of the gold standard in capitalist Britain and its relationship to modern financial

¹⁷ Teschke, 2003.

¹⁸ Teschke, 2003:249.

¹⁹ Teschke with Lacher, 2007: pp.566, 578. This theoretical move was first made explicit in his Deutscher Memorial lecture during the 2004 Historical Materialism conference, see Teschke (2005).

governance; a study that would provide the basis for his book, *The Making of Modern Finance*.²⁰ The nascent discipline of International Political Economy, then focused on theorising the oppositional relationship between states and markets, saw the gold standard as the origin of a liberal form of governance that imposed constraints upon states through automatic market mechanisms, presumably due to the growing power of a capitalist class keen on limiting the reach of government over their affairs. By contrast, Knafo rehistoricised the gold standard to show that it was in fact the product of a distinct project by the British state to exert leverage over market actors. Building on a long path-dependent history of sound monetary policy, the gold standard equipped the first capitalist state with capacities to intervene in the economy in ways that, if anything, prefigured the Keynesian revolution rather than its antithesis.²¹ What others had interpreted as a familiar story of structural constraints, Knafo reformulated as one of strategy and unintuitive change.

In the meantime, he developed a take on the structure/agency question that would later become the kernel of the ‘rules of reproduction’ debate. Echoing the ‘epistemic debate’ raging in IR, Knafo argued that Marxism was caught in impossible ‘quantum leaps’ between the claims that class agency is the motor of history and that capitalism is a self-propelling system.²² Moreover, he argued that this ambivalence between agency and structure could not be shrugged off by simply finding the right balance between the two, for any such equivalence carries in-built an inevitable drift towards the reification of social structures as self-acting entities: ‘[o]nce the primary focus is placed upon structures or laws, it becomes impossible to explain how subjects can instantiate and act according to a previously defined objective dynamic’.²³ The result is a confirmation bias through which vital complexities of the historical process are lost to a preordained script.

To correct this, Knafo opted for a rigorous focus on agency, a term which he does not use to speak of ‘free will’, but strategy and contingency. For Knafo, agency is not about how agents *escape* social structures, but about how they engage with each other *through* social structures, irrespective of whether an agent’s actions end up being structurally constrained or not. In other words, Knafo’s ‘agentialism’ is not the product of a naïve voluntarism (i.e. social actors can always do whatever they want) but a *vigilant methodological principle* designed to prevent the scholar from representing structures as self-reproducing ‘things’. The point is not to deny the existence of social structures, but to avoid projecting auto-generative properties onto them, something that requires casting light on how agents are constantly devising strategies to reinforce and reproduce structures just as much as to subvert and renegotiate them. This method was bound to clash with the idea that social systems can be known through a predetermined set of rules of reproduction.

If the early works of Knafo and Teschke already shared a strong inclination towards political Marxism’s institutionalist themes (e.g. strategy, contingency, path-dependency), their simultaneous settlement at the University of Sussex in the mid-2000s seems to have only reinforced these tendencies. Over the last decade, Teschke has moved on to explore ‘the wide diversity in the construction of foreign policies and spatial orders since the early eighteenth century onwards until now’.²⁴ This carries a tacit departure from the macroscopic perspective on social property relations that shaped *The Myth*. Teschke has come to see the focus on the domestic composition of the politics that constitute an international order as tending towards ‘functional explanations of international politics that suppress the efficacy of foreign policy making and multilateral diplomatic agency’.²⁵ Instead, he has refocused his work around the autonomy of the (geo)political, re-embedding ‘statecraft, foreign policy, and diplomacy in dense institutional contexts and conceiv[ing] them as situated inter-subjective practices’.

This turn was reinforced by a growing theoretical gulf with his former supervisor, Justin Rosenberg, who is now also based at Sussex. Rosenberg has fleshed out Trotsky’s notion of ‘Uneven and Combined

²⁰ Knafo, 2013.

²¹ Knafo, 2006: p.90.

²² Knafo, 2002, 2010.

²³ Knafo, 2002: p.146.

²⁴ Teschke et al., 2016.

²⁵ Teschke, 2019:128-9.

Development' (UCD) into a distinct approach to International Historical Sociology.²⁶ This approach explains historical change by examining how the interactions between societies at different stages of development (unevenness) compels 'backward' societies to catch-up with more 'advanced' ones (combination), which come under great pressure to maintain a leading position in the institutional and technological frontier. If Rosenberg's early works had a Political Marxist flavour,²⁷ the UCD turn towards transhistorical abstraction prompted Teschke's sharp criticisms, resulting in a sustained rivalry that has arguably only radicalised his historicist positions.²⁸

In the meantime, Knafo has turned his attention towards contemporary US capitalism, sharpening his focus on creative agencies by teasing out the managerial underpinnings of financialisation and neoliberalism. His recent work on 'shareholder value' – the corporate practice of privileging the inflation of company stock prices – echoes the logic of his reasoning on the gold standard.²⁹ Whereas political economists tend to frame the emergence of shareholder value as an expression of the growing constraints imposed upon managers by speculative financiers, Knafo (and his former student Sahil Dutta) have traced its origins to efforts by US managers to revolutionise corporate strategy. In the 1960s, a small number of conglomerates began to use innovations in US finance to leverage new tactics based on aggressive takeovers and asset-stripping. These new tools for financing corporate growth required a more active manipulation of shareholders by managers, eventually leading to a reorganisation of corporate governance around the financial performance of company stock.

Alongside, Knafo has continued to develop his methodological approach.³⁰ Importantly, Knafo has come to abandon the concept of 'the market' altogether, arguing that it is too loaded with assumptions that obscure the concrete workings of capitalist practices.³¹ An example of this line of thought is his work on the origins of neoliberalism, in which him and a number of Sussex doctoral students have disturbed the traditional narrative, which centres on the projects of a 'neoliberal thought collective' to 'unleash' markets from government intervention.³² Regardless of the ideology and rhetoric displayed by politicians after the 1980s, the authors argue that the concrete practices of neoliberal government (e.g. New Public Management techniques) were devised in the preceding period by the US military to empower managers, and precisely to plan the allocation of resources rather than to intensify competition. This fine-grained complexity, however, was missed out by macro-structural perspectives that tend to represent neoliberalism as a generic expansion of market activity.

The radicalisation of Knafo and Teschke's theoretical stance over the last decade coincides with the formation with their doctoral students of the Political Marxism Research Group at Sussex (PM Group), which has allowed them to cultivate a school of thought that has expanded the tradition's institutional flank.³³ In its decade of life, the PM Group has acted as a forum to organise reading sessions, invite political Marxist scholars to deliver seminars, and hold debates about their work. The critique of the rules of reproduction was first presented to the PM Group in 2013 (then under the title *Political Marxism and the Question of Method*), prompting successive waves of discussion that have shaped the article's multiple different versions. This sustained inquiry into Political Marxism's 'state of the art' is what has allowed Knafo and Teschke to push the tradition's limits to what sometimes seems like breaking point.

3. The Vexed Question of Market Dependence

²⁶ Rosenberg, 2006. See also Anievas and Nişancıoğlu, 2015

²⁷ Rosenberg, 1994.

²⁸ Teschke, 2014. Alternatively, for an excellent critique of UCD from the structural wing of Political Marxism, see Post, 2018.

²⁹ Knafo & Dutta, 2019.

³⁰ Knafo, 2017.

³¹ Knafo, 2020.

³² Knafo et al., 2018.

³³ The original cohort was formed by Maïa Pal, Steffan Wyn-Jones, Matthieu Hughes, and Can Cemgil.

Having pushed Political Marxism's institutional flank to new limits, Knafo and Teschke have developed a heightened perception of the tensions within Political Marxism. At the heart of their critique lies the concept of market dependence, which the authors identify as a major source of determinist bias. This is not the first time that this concept becomes a locus of conflict within the tradition. The question of market dependence was already at the core of the Brenner-Wood dispute on the Dutch transition, which was arguably the first time that the contours of the structural-institutional divide became evident. Disagreements over market dependence have continued to reverberate over time, though not explicitly – they usually flare up in the form of competing narratives of specific transitions.³⁴ However, with their critique, Knafo and Teschke (p.7-9; 12-5) have returned the question to the centre stage. They call for jettisoning the concept altogether (and in the case of Knafo, the very notion of 'the market' as well). By contrast, I believe that it can still be salvaged for institutional historicism, but only provided that it is reformulated in an open-ended way.

First, an overview of the problem. As mentioned earlier, Brenner coined the concept of market dependence to theorise the structural conditions that forced English producers to accumulate capital in unprecedented ways. The lever of this process was the separation of agrarian producers 'from their full means of subsistence', regardless of whether they retained possession, if not outright ownership, of the means of production: 'the key was, thus, the transformation of peasants into farmers (but not necessarily into proletarians, though an agricultural proletariat may have emerged at the same time or shortly thereafter, thereby further contributing to economic growth)'.³⁵ In the English regime of agrarian social property relations, this came about when tenants were compelled to sell successfully on the market in order to renew their access to the land, thus pushing them out of subsistence farming by forcing them to specialise their production and to regularly purchase tools to improve production.³⁶ The bottom line is that as market exchange comes to determine survival, producers become locked into a self-reinforcing spiral of market dependence, making them 'subject to the demands of competition, increasing productivity, capital accumulation, and the intense exploitation of labour'.³⁷ Brenner later redeployed the theory of market dependence to examine the Dutch peasantry of the sixteenth century, where he also identified an agrarian capitalist transformation.³⁸ Unlike England, however, the source of market dependence in the Netherlands was not a competitive land market, but an environmental degradation of the countryside that reduced the peasantry's capacity for subsistence. This forced them to specialise their production in the most lucrative crops and to purchase their staples on the market instead.

Brenner's take on the Dutch transition prompted disagreements amongst Political Marxists, with the dissenting voices being led by none other than Ellen Meiksins Wood.³⁹ Though Wood concurred that the peasants of the Netherlands were indeed market dependent, she asserted that they remained commercial actors of a pre-capitalist type. In her carefully argued critique, she then proceeded to theorise the insufficiency of market dependence to explain capitalist change. Even though productive specialisation is certainly a feature of capitalist agriculture, she pointed out that specialisation remains an ambiguous indicator of capitalist development, as there have been instances of it in pre-capitalist societies that were not under a compulsion to improve the productive forces. When judging whether productive specialisation is a symptom of capitalist development or not, the point are the underlying drivers of this behaviour. In placing an excessive emphasis on the formal loss of the means of subsistence, Brenner had forgotten to elucidate whether productive competition had become an imperative or not. As Wood pointed out, Dutch export agriculture was based on the opportunity to import cheap grain from the Baltic, which allowed peasants to effectively arbitrage their subsistence costs by focusing on more lucrative crops. This, however,

³⁴ Arguably, the question of market dependence underlies the still undeclared debate around the Japanese transition (see Isett & Miller, 2016:83-92 vs. Cohen, 2019) as well as the debate around the Brazilian transition (see Carlson, 2019 vs. Salgado, 2020).

³⁵ Brenner, 2011: p.208.

³⁶ Brenner, 1985.

³⁷ Wood, 2002a: p.195.

³⁸ Brenner, 2001.

³⁹ Wood, 2002b.

did not come with a compulsion to improve production, chiefly because producers remained in the possession of their land, allowing them to fall back on subsistence farming when market opportunities deteriorated. This was a luxury that the farmers across the Channel did not have. In the regime of the enclosure, the competitive tenant farmers of England could not simply retreat from the market in the face of a downturn – they had no choice but to press ahead and intensify productivity if they were to revalidate their leases.

The dispute between Brenner and Wood was no small issue. The rift around market dependence went to the heart of the Political Marxist theory of capitalist development. For Political Marxism, the dynamic of self-reinforcing productivity increases unique to capitalist development cannot be explained by the negative removal of obstacles to the market, as if a natural propensity to exchange was always waiting to be laid bare. Instead, the key is to understand the creation of something new: ‘a positive compulsion to transform the forces of production’.⁴⁰ For Brenner, capitalism’s positive compulsion essentially boils down to the dependence of economic actors on buying and selling for the fulfilment of their social reproduction. Wood’s intervention, however, problematised Brenner’s assumptions by severing the logical connection between market dependence and capitalist production – if market dependence can be capitalist or not, then it remains an ambiguous explanation of the rise of capitalism. In doing so, Wood busted wide open the question of what was the ‘positive compulsion’ driving the emergence of capitalism.

Agreeing with Wood’s critique, Charles Post opted for re-theorising the concept.⁴¹ For market dependence to lead to capitalist development, Post argued, the ‘separation from the means of consumption’ (e.g. food, clothing) remains insufficient if there is not at least a *potential* ‘separation from the means of production’ as well (e.g. tools, land):

the threat of the loss of effective possession of the main means of production in agriculture, land, without successful market competition – as a result of either the imposition of commercial leases (England) or to meet the burdens of taxes, mortgages and debts (northern US) – is necessary to compel household producers to specialize, innovate and accumulate independent of market fluctuations.⁴²

This effectively restores market dependence (or at least a type of it) as a common structural denominator of capitalist production. Through this lens, one can readily identify the emergence of capitalist production across institutional contexts – perhaps even measure it. In his detailed study of the US transition, Post stresses that colonial family farmers remained pre-capitalist actors despite sometimes selling large quantities of agricultural products, remarking that family farms at best ‘marketed no more than 40% of their total output, well below the 60% that most agrarian historians believe indicates a high degree of market-dependence’.⁴³

Post’s reformulation of market dependence is a response to the challenge raised by Wood in a structural historicist way, but I believe that her intervention also carries takeaways that can be formulated along more institutional lines. In my reading, the problem that Wood was getting at is that peasants were far from insulated from market pressures in pre-capitalist societies.⁴⁴ It is well-known that ‘subsistence agriculture’ is a misnomer: for thousands of years, the peasants of Eurasia have produced for the market to pay for rents, taxes, debts, or simply cultivation costs.⁴⁵ Though peasant communities tended to build thick moral economies to blunt the sharpest effects of commercial failure, eviction from the land, and thus the loss of the means of production and subsistence, remained a real prospect. Of course, as Political Marxists

⁴⁰ Wood, 2002b: p.57.

⁴¹ Post, 2002.

⁴² Post, 2002: p.91.

⁴³ Post, 2011: p.164.

⁴⁴ Wood, 2001b: pp.54-7.

⁴⁵ Isset and Miller, 2016.

frequently point out, commercial exchange typically performed an auxiliary rather than central role in the social reproduction of peasants. Even then, there were always peasants on the verge of dispossession, such as precarious sharecroppers or smallholders impoverished by war taxes. It would be disingenuous to say that actors such as these were not already market dependent, at least to some extent. The logical conclusion is that market dependence has always been a matter of gradations, assuming an unprecedented degree under capitalism. However, to admit this only raises further conceptual problems. The Brenner Thesis criticised 'commercialisation theories' for explaining the advent of capitalism as a *quantitative outgrowth* of age-old commercial practices without specifying a *qualitative rupture* in the logic of production.⁴⁶ If a certain degree of market dependence is sufficient to explain capitalist dynamics, then 'it seems hard to avoid confronting the quantitative question [...] At what point does a quantitative difference become a qualitative one?'.⁴⁷

The concept of market dependence, then, ends up reproducing the gradualist reasoning of commercialisation narratives. Though Wood's article does indicate that there are at least two different kinds of market dependence (capitalist and non-capitalist), I believe that her reasoning was pointing beyond the concept altogether. As her argument progresses, market dependence quickly fades away as a sufficient determinant of capitalist development:

even owner-occupiers in non-capitalist societies may not only suffer poverty but, in extreme cases, may even be forced to give up their land if the exigencies of inadequate land, together with the burdens of rent and taxation, make survival impossible. *But it takes something other than the pressures of inadequacy to make possession dependent on competitive production.* The pressures of a capitalist economy are such that even a prosperous farmer, like the English yeoman-tenant, is subject to them, making his continuing possession of good land dependent on his cost-effective production.⁴⁸

In other words, while Brenner assumed a direct causal relationship between market dependence and competitive constraints, Wood did not.

In doing so, Wood effectively reframed the puzzle of capitalist development around how competitive production is socially constructed. Her article thus proceeded to unpack the necessary conditions for competitive pressures to be in operation (ibid:67-9). The capitalist transformation of production requires the potential for price competition between suppliers, thus ruling out monopolistic or corporatist systems of production and exchange. Price competition also presupposes some common standard of measuring a social average of labour costs, whether in monetary form or otherwise, so that various suppliers can affect each other's costs of production. Moreover, whereas pre-capitalist trade relies on exploiting price differentials across disjointed markets (e.g. arbitrage, carrying trade), capitalist production flourishes in conditions of relative market integration and effective transport systems, so that the costs and methods of production in one locale systematically affect those in another. Short of these 'very specific conditions, both technological and social, [...] very rare until quite late in history', it is unlikely that simple market dependence will be able to sustain the imperatives of productive competition (ibid:68).

Wood's analysis can be read as a reformulation of market dependence along the lines of institutional historicism. Though her article theorised the 'irreducible conditions' for the transmission of competitive imperatives, these still cannot explain what the original 'spark' for these imperatives is in any given transition. This indeterminacy can be turned into the basis of an open-ended framework, one that outlines the necessary conditions for capitalist development (e.g. money, market dependence, price competition, etc.) but that leaves an unspecified variable around the sufficient causes for this transformation. The underlying assumption is that what sets capitalist development in motion (its 'positive compulsion') cannot be captured by a common structural denominator because it is bound to be different

⁴⁶ Brenner, 1977.

⁴⁷ Wood, 2002b: p.55.

⁴⁸ Wood, 2002b: p.64, emphasis added.

across geographical contexts and historical periods. Read in this light, Knafo and Teschke's methodological suggestions can be reintegrated into this gap, resulting in an approach to the transition to capitalism that is both theoretically informed and yet versatile enough to accommodate empirical diversity.

Knafo and Teschke, however, seem to suggest that to 'turn the transition into a more meaty process beyond the very thin notion of market dependency', the concept should be replaced for a sole focus on concrete 'capitalist practices' (p.23). The point is to trace how practices/institutions devised to transform the labour process are then translated across institutional contexts, influencing the creation of new practices in turn. This also 'raises the prospect that applying practices developed in a different context will yield very different outcomes, for they are necessarily transmitted and then instrumentalised in a different way when introduced to a different social context with its own set of social struggles' (p.23). While a more concrete focus on practices is welcome, the problem is that to identify what constitutes a 'capitalist practice' we still need a theoretically informed understanding of what capitalism is, or at least of the 'capitalist effects' that we are looking for in such practices. Moreover, it is precisely because the same practices may produce divergent outcomes that it is worth having a comparative sense of how structural preconditions shape the translation of practices. Otherwise, there is a real risk of letting all explanation slip into historical description – the mirror image of the reifying drift that Knafo and Teschke are seeking to combat. This is a frequent criticism of the authors' position, of which they themselves are certainly aware (p.25), but which they have yet to seriously address.

Conclusion

Knafo and Teschke's article is a provocative piece that is bound to have a lasting effect, not least on the followers of Brenner and Wood. Calling for a 'radicalisation' of Political Marxism's historicist principles, Knafo and Teschke have drawn battle lines between those who want to recover the tradition's original promise and those who are willing to let it drift into the economic determinism that it was meant to challenge. For the authors, Political Marxism has become caught in a worrying inertia that is common to the social sciences, which tend to err on the side of determinism because it is easier to perceive the pressures exerted by structural conditions than the impact of creative agencies.⁴⁹ To correct this asymmetric bent, they suggest binding Political Marxism to a series of methodological commitments designed to prevent us from succumbing to a reifying gaze. As a former student of Knafo and Teschke, I am more than sympathetic to their approach – I frequently use their techniques in my own work – however, as I have argued, their critique also requires qualification.

The duality that the authors perceive within Political Marxism is real, but their representation of it as a rift between 'historicist' and 'structuralist' camps is exaggerated (and unnecessarily confrontational). A more accurate way of imagining these differences is as a continuum between two kinds of historicism – institutional and structural – that have coexisted in the tradition as far back as the Brenner Thesis. In this light, Knafo and Teschke's approach is a radicalisation of Political Marxism's institutionalist sensibilities, and thus, rather than taking the tradition back to its origins, they are in fact charting new ground. This is why their 'radical institutionalist' position is better understood against their own intellectual development. Arguably, Knafo and Teschke's post-positivist positions hardened in the midst of the 'epistemic debate' in International Relations, where the authors borrowed from Political Marxism to think historically about geopolitics and international finance. The oblique relationship of these research topics to production problematised the causal primacy of capitalist 'rules of reproduction' in their respective lines of research, thus pushing them to stretch Political Marxism in new directions. Their 'radical institutionalism' was then consolidated by the formation of the Political Marxism Research Group at Sussex, which allowed them to cultivate a school of thought around their views.

⁴⁹ Knafo, 2017.

If the dispute around the Dutch transition was the first great debate traversing the Political Marxist tradition, the ‘rules of reproduction debate’ is arguably the second, and it is thus likely to shape subsequent generations of Political Marxists as much as the one that preceded it. In both cases, the dispute over specific concepts (market dependence and rules of reproduction) have merely acted as an entry point for much deeper theoretical questions that go to the heart of Political Marxism’s historicist project. Picking up where the debate around ‘market dependence’ left off, Knafo and Teschke suggest replacing this concept for a more concrete focus on ‘capitalist practices’. Revisiting the debate from an institutional historicist perspective, I have argued that the concept is still useful to understand capitalist transitions, but only if it is reformulated in a more open-ended way than what Brenner originally envisioned. This is a better solution than to simply dissolve the framework into an unbound analysis of institutional diffusion. Otherwise future Political Marxists might find themselves adrift, but in the direction of empiricism.

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